

# Memorandum

**TO: HOUSING ADVISORY  
COMMISSION**

**FROM: Leslye Krutko**

**SUBJECT: AFFORDABLE HOUSING  
RECOMMENDATIONS FOR  
THE EVERGREEN • EAST HILLS  
VISION STRATEGY**

**DATE: 10-06-06**

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## **BACKGROUND**

Originally called the Evergreen Visioning Project/Smart Growth Strategy (and now referred to as the Evergreen • East Hills Vision Strategy), the Vision Strategy is a comprehensive land use and transportation planning effort to guide infill development in the Evergreen and East Hills area. The area is generally bounded by Hellyer Avenue, Highway 101, Story Road, and the Urban Growth Boundary in the eastern foothills (map attached). The goal of the Evergreen East Hills Strategy (EEVHS) is to allow for new development to create housing in balance with transportation improvements and amenities.

Since August 2003, a community task force, under the leadership of Councilmember Dave Cortese, has been providing key input to the EEVHS. In June 2005, Councilmember Nora Campos was appointed as Vice-Chair and the task force was reconfigured to have broader community representation. The task force is continuing to engage in a community based process that seeks to balance the interests of new development with its impacts on the existing community.

Within the EEVHS, four "opportunity sites" are being considered for development:

- Arcadia Property: 81-acre site on the west side of Capitol Expressway, south of Eastridge Mall. This property is located in a Redevelopment Project area and has a 20% inclusionary housing requirement.
- Pleasant Hills Golf Course: 114-acre site at the northeast corner of White and Tully, just east of Lake Cunningham Park
- Campus Industrial Properties: 320 acres, located east of Yerba Buena Road at the base of the east foothills
- Evergreen Valley College: 27-acre portion of the College, located adjacent to the existing shopping center on the corner of San Felipe Road and Yerba Buena Road

## **ROLE OF HOUSING ADVISORY COMMISSION**

The purpose of this memorandum is to request that the Housing Advisory Commission (HAC) provide its recommendations on affordable housing for the Evergreen East Hills Vision Strategy (EEVHS). The HAC's recommendations will be included with the Task Force recommendations in the staff report to the Mayor and City Council. All recommendations will be forwarded to the Planning Commission for consideration on November 8th and the Mayor and City Council for final consideration on December 5<sup>th</sup>.

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Issues for the HAC to consider for affordable housing in Evergreen East Hills include:

- Should there be affordability targets for each of the four opportunity sites?
  - If so, what should be the percentage of affordable housing at each site?
  - Should percentages be developed for the various types of affordability levels (moderate, low-income, very low-income and extremely low-income)?
  - Should there be a percentage of housing devoted to rental v. ownership?
- If there is not an affordability requirement for each of the four opportunity sites, should developers be obligated to contribute towards the provision of affordable housing?
- Should housing be allowed at the Campus Industrial Properties, which is currently zoned for industrial use?
- Provide input on the two alternatives suggested by the Task Force (described in further detail below).

### ANALYSIS

On September 25th and 27th, the EEHVS Task Force voted on recommendations for addressing seven key policy issues in Evergreen East Hills, which are: Retail/Commercial/Office, Affordable Housing, Community Facilities District, Schools, Industrial Retention/Conversion, Number of Residential Units and the Amenity Package Phasing. These policy issues have been directed at balancing proposed development with quality of life concerns for the Evergreen East Hills area.

The Task Force did not come to a consensus on recommendations for affordable housing. Rather, the Task Force provided two alternatives. The following is a summary of each of these proposals:

#### ***Developer Proposal***

Approximate total of Affordable Housing units proposed: 575 of a total 5,700 units (10%).

This proposal limits inclusionary housing to two of the four opportunity sites. The developer's proposal recommends a total of 5,700 residential units in the EEHVS, with 5,200 total units on the four opportunity sites and 500 units beyond these sites in Evergreen, referred to as "pool" or "background" units. Affordable housing would be provided in Arcadia (20% per the existing inclusionary housing requirement) and Evergreen Community College (40%, based on goals created by Evergreen Community College). Affordable housing is not proposed for the Campus Industrial or Pleasant Hills Golf Course sites or the "pool" units. It is important to note that the affordability levels for housing (e.g., moderate, low-income, extremely low-income units) have not been defined. Proposals that have been discussed by the developers have included "workforce housing," which would serve households earning up to 180% of median income.

#### ***Alternative Proposal by Jim Zito***

Approximate total of Affordable Housing units proposed: 744 of a total 4,000 units (19%).

This proposal recommends a total of 4,000 residential units in the EEHVS, with 3,600 total units on the four opportunity sites and 400 "pool" or "background" units. This proposal would include affordable units on each of the four opportunity sites, with 20% on the Arcadia site and 40% on the Evergreen College site. The percentage of affordable housing in the Campus Industrial and Pleasant Hills Golf Course sites have yet to be determined. However, since the percentage of affordable housing units across all four sites will be 19%, this will result in approximately 204 units built at the Campus Industrial and Pleasant Hills Golf Course sites.

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The proposal also includes a requirement that any additional development project of 10 units or more using the background, "pool" unit allocation provide a minimum of 15% or 2 units (whichever is greater), of deed restricted affordable units. This proposal recommends a lower count of overall affordable housing (17%), if a high school is constructed on the college site. However, the most current information from the East Side Union High School District is that the proposed EEHVS project would not trigger the need for a new high school.

The following documents are provided for you as additional background information:

- Map of four "opportunity sites"
- Map of land use designations at for "opportunity sites" under Developer's proposal
- Map of land use designations at for "opportunity sites" under Zito's proposal
- EEHVS Task Force Voting Results & Recommendations
- Land Use Proposal Descriptions (Attachments A through F)
- Amenity Prioritization Proposals (Attachments G through K)
- Suggested Feedback for Evergreen Development Policy (Jim Zito Proposal)

If you are interested in further information on the Evergreen East Hills Vision Strategy, please refer to the following links under Meetings #13 and #14 on the Planning Department's website at:

<http://www.sanjoseca.gov/planning/evergreen/taskforce.asp#Meeting13>

Developer's Proposal

Evergreen\*East Hills Housing Group (Developer's) Proposal

Developer's Opportunity Site Exhibits


Developer's Industrial Conversion Analysis

Jim Zito Proposal

Memorandum to the Task Force from Mr. Zito and Mr. Alvarado (dated, September 25, 2006)

Zito/Alvarado Unit Proposal (9/27/06)

Zito/Alvarado Amenities Proposal with Costs (9/27/06)

  
LESLEYE KRUTKO  
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